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OK To List Over-Limit Credit Card Charges Separately From "Finance Charges"

This past Wednesday, the United States Supreme Court held that a credit card issuer may list over-limit credit card charges separately from the statutorily required statement of ordinary "finance charges" on credit card bills. *Household Credit Services, Inc. v. Pfennig*, 04 C.D.O.S. 3433 (April 21, 2004).

In reaching this conclusion, the Court held that Regulation Z, which specifically excludes fees imposed for exceeding a credit limit from the definition of "finance charge" under the federal Truth In Lending Act, was not an unreasonable interpretation and hence was within the "expansive authority" delegated to the Federal Reserve Board. In reversing the decision by the Sixth Circuit, the Court noted that the "Court of Appeals ignored our warning that 'judges ought to refrain from substituting their own interstitial lawmaking for that of the [Board].'"

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